

UNAPPROVED MINUTES  
CITY OF MILPITAS

Minutes:	Regular Meeting of Milpitas Redevelopment Agency (Including Joint Meeting with City Council and Financing Authority)
Date of Meeting:	May 4, 2004
Time of Meeting:	11:15 p.m.
Place of Meeting:	Council Chambers, City Hall

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**RA1.  
CALL TO ORDER**

Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 11:15 p.m.

**RA2.  
ROLL CALL**

Present were Mayor Esteves, Vice Mayor Dixon, and Agency/Councilmembers Gomez, Livengood, and Polanski.

**RA3.  
MINUTES**

MOTION to approve the Redevelopment Agency minutes of May 4, 2004, including joint meeting with the City Council, as submitted.

M/S: Gomez, Livengood.

Ayes: 5

**RA4.  
AGENDA**

MOTION to approve the Agenda and Consent Calendar as submitted.

M/S: Gomez, Livengood.

Ayes: 5

**RA5.  
SHAPELL INDUSTRIES MOU  
AFFORDABLE HOUSING**

Mayor Esteves announced that since this item pertained to the Town Center, he would be abstaining and passed the gavel to Vice Mayor Dixon and left the Council Chambers.

Principal Housing Planner Felix Reliford reported this item was being submitted in conjunction with items 2 and 3 on the Council agenda and involved the development of a 65-unit town home project and redevelopment of the Town Center. Mr. Reliford reported staff was recommending the Agency adopt a resolution approving a Memorandum of Understanding with Shapell Industries providing loan assistance to facilitate the construction of 20 deed-restricted affordable housing units consisting of 16 moderate-income units and 4 very low-income units (consisting of the rehabilitation of rental units off-site with deed restrictions); in return for the Agency's financial assistance with four off-site units, the developer will fund and/or construct on and off-site improvements benefiting the public valued at \$392,000; the total value of the proposed Agency assistance in loans and grant is \$1 million (pledged in the form of silent second loans of \$50,000/unit, for a total of \$800,000, and \$200,000 for the rehabilitation of the four off-site units).

Vice Mayor Dixon inquired if the process for the affordable units would be the same as was used for the Parc Metro development with priority being given to teachers. Mr. Reliford responded the Council had set a policy that included a priority for Milpitas residents, teachers, and City employees. Vice Mayor Dixon asked for confirmation that the applicant was in agreement. Mr. Reliford responded yes.

MOTION to adopt Resolution No. RA219 of the Redevelopment Agency approving a Memorandum of Understanding by and between the Redevelopment Agency of the City of Milpitas and Shapell Industries of Northern California.

M/S: Polanski, Gomez.

Ayes: 4

Abstain: 1 (Esteves)

Mayor Esteves returned to the dais.

**RA6.  
LIBRARY PROJECT  
UPDATE**

Assistant City Engineer Greg Armendariz presented an update on the Library project reporting that the architect selection process was underway and highlighting upcoming project milestones. Mr. Armendariz reported that a two-part request for proposals for a design architect had been issued; a fee portion would be required only of the short list; and the

interviews would be video taped. Mr. Armendariz further reported that 60 consultants attended the pre-proposal conference on April 15, 21, and 28; proposals were due May 10; the proposals would be evaluated and the short list developed by May 17; the first round of interviews was scheduled for May 20; the results would be presented to the Library Subcommittee on May 25; the second round of interviews would be scheduled the week of June 14; by June 22 a final selection would be made; and on July 6 the contract for architectural services would be presented to the Council. Mr. Armendariz noted that staff was also actively advancing various other Library-related projects.

Mayor Esteves commented that this was also discussed by the Library Subcommittee comprised of the Mayor and Councilmember Livengood.

MOTION to note receipt and file Library Project progress report.

M/S: Gomez, Polanski.

Ayes: 5

**RA7.  
FINANCIAL STATUS  
REPORT (9 MONTHS)**

Finance Director Emma Karlen presented the City's Financial Status Report for the nine months ended March 31, 2004, reporting that the regional unemployment rate was higher than for the Nation and State; sales tax revenue recovery was still lagging in Santa Clara County; and General Fund revenue for the nine months was down 6.6% from the previous year. Ms. Karlen further reported that General Fund revenue projections had been revised downward approximately \$275,000 and over all approximately \$3.05 million below the adopted budget. Ms. Karlen reviewed expenditures commenting that General Fund expenditures at the end of March remained under budget (70.3% v. 75%) resulting in a savings of approximately \$2.8 million at the end of the fiscal year. Ms. Karlen reviewed the General Fund projected use of Reserves noting a revised number of \$5.59 million, which was about \$275,000 off from the budget. Ms. Karlen reported that the General Fund Reserve balance was on target; looking at the reserve fund history last 10 years, because the City was able to build up the reserve balance in the last few years, the City was able to use some of the saving now to continue providing services to the community and still maintain a 15% reserve fund balance.

Councilmember Livengood inquired where the \$5 million was that was set aside for the Library. Ms. Karlen responded it was with the Library fund and so wasn't shown here. Councilmember Livengood commented the number that was the most alarming to him was the General Fund revenue collected as of the first three quarters and asked what that number would be at the end of the fiscal year. Ms. Karlen responded she projected about 7 or 8 percent less than the budget (93%).

Mayor Esteves, referring to the projected use of reserves, inquired if staff was already assuming the deficit would be filled out by the use of reserves. Ms. Karlen responded the use of reserves was projected when the budget was adopted. Mayor Esteves commented that this was more than the budgeted amount (\$5.9 million v. \$5.32 million) and asked if it was assumed that reserves would totally cover the \$5.9 million deficit. Ms. Karlen said right now based on nine months, the budget was about \$270,000 off but that amount might still be made up with additional revenue or additional savings, so it was hard to say exactly. City Manager Tom Wilson added that it was a presumption only, staff didn't know what the gap may be, there may be some revenue increases in the last quarter and if there is a need to utilize more reserves because we simply don't meet the revenue projection, then staff would have to come back to the Council. Mayor Esteves asked for confirmation that this picture was not the automatic use of reserves. Ms. Karlen said it was to give the Council what could potentially happen at the end of the year. City Manager Wilson added that it has to be approved by the Council and this was just a prediction and just trying to give the Council a heads up.

MOTION to note receipt and file.

M/S: Gomez, Polanski.

Ayes: 5

**\*RA8.  
INVESTMENT STATUS**

Noted receipt and filed the investment report for the quarter ended March 31, 2004.

**\*RA9.  
INITIAL ACCEPTANCE**

1. Adopted Resolution No. 7399 approving initial acceptance of ACCO's contract and authorizing the RDA Project Manager to file a Notice of Completion and release \$86,594.15 from the retention account, remaining retention to be released in accordance with the Public Contract Code; and
2. Adopted Resolution No. 7400 approving initial acceptance of Royal Glass contract and authorizing the RDA Project Manager to file a Notice of Completion and release retention in accordance with the Public Contract Code.

**RA10.  
ADJOURNMENT**

There being no further Redevelopment Agency business, Mayor Esteves adjourned the Redevelopment Agency meeting at 11:37 p.m.

Gail Blalock, Secretary/City Clerk